

If you are in any doubt about this circular or as to the action to be taken, you should consult a stockbroker, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CNT Group Limited, you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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CNT GROUP LIMITED
(北海集團有限公司)

(Incorporated in Bermuda with limited liability)

(Stock Code: 701)

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS
AND
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
REDUCTION OF SHARE PREMIUM ACCOUNT AND CAPITAL
REDEMPTION RESERVE ACCOUNT
AND
DISTRIBUTION OUT OF CONTRIBUTED SURPLUS ACCOUNT
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the AGM of the Company to be held at 31st Floor, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong on Tuesday, 29 May 2007 at 11.00 a.m. at which the above proposals will be considered, is appended to this circular. Whether or not you are able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or adjournment thereof. Completion and return of the form of proxy will not prevent the Shareholders from attending and voting at the meeting if they so wish.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held on Tuesday, 29 May 2007 at 11:00 a.m., the notice of which is appended to this circular, or any adjournment thereof
“Board”	the board of directors of the Company
“Capital Redemption Reserve Reduction”	the proposed reduction of the entire amount standing to the credit of the capital redemption reserve account of the Company as at 31 December 2006 as described in this circular
“Company”	CNT Group Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Latest Practicable Date”	21 April 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share”	the ordinary share in the capital of the Company with a par value of HK\$0.10 each (or such other prevailing par value from time to time)
“Shareholder(s)”	the shareholder(s) of the Company
“Share Premium Reduction”	the proposed reduction of the entire amount standing to the credit of the share premium account of the Company as at 31 December 2006 as described in this circular
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeover Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.



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Executive Directors

Tsui Tsin Tong (Honorary Chairman)
Lam Ting Ball, Paul (Chairman)
Tsui Ho Chuen, Philip (Executive Deputy Chairman)
Tsui Yam Tong, Terry (Managing Director)
Wong Chi Keung, Alvin

Non-executive Directors

Hung Ting Ho, Richard
Zhang Yulin
Ko Sheung Chi

Independent Non-executive Directors

Sir David Akers-Jones (Deputy Chairman)
Danny T Wong
Chan Wa Shek
Steven Chow

Registered Office

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal Place of Business

31st Floor and Units E & F
on 28th Floor
CNT Tower
338 Hennessy Road
Wanchai
Hong Kong

30 April 2007

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS
AND
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
REDUCTION OF SHARE PREMIUM ACCOUNT AND CAPITAL REDEMPTION
RESERVE ACCOUNT
AND
DISTRIBUTION OUT OF CONTRIBUTED SURPLUS ACCOUNT
AND
NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE CHAIRMAN

1. INTRODUCTION

The purpose of this circular is to provide you with the notice of the AGM and information on certain matters to be dealt with at the AGM which will be held on Tuesday, 29 May 2007 at 11:00 a.m.. They are: (i) the re-election of Directors at the AGM; (ii) the granting of general mandates to issue and repurchase Shares; (iii) the reduction of the share premium account and the capital redemption reserve account; and (iv) the distribution out of the contributed surplus account.

2. RE-ELECTION OF DIRECTORS

In accordance with the Company's bye-laws, Messrs. Tsui Tsin Tong, Wong Chi Keung, Alvin, Zhang Yulin, Ko Sheung Chi, Danny T Wong, Chan Wa Shek and Dr. Steven Chow will retire at the AGM and, being eligible, will offer themselves for re-election. Details of the Directors proposed for re-election are set out in the Appendix I to this circular.

3. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The existing general mandates granted to the Directors to issue and repurchase Shares will expire at the conclusion of the AGM. To renew these general mandates, ordinary resolutions are proposed at the AGM that: (i) the Board be granted a general mandate to allot and issue new Shares up to an amount of not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue and fully paid-up at the date of passing of such resolution; (ii) the Board be granted a general mandate to exercise all the powers of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue and fully paid-up at the date of passing of such resolution; and (iii) the allotment mandate be extended by adding the nominal amount of all the Shares repurchased by the Company pursuant to the repurchase mandate to the aggregate nominal amount of the share capital of the Company to be issued and allotted pursuant to the allotment mandate.

The Directors wish to state that, as at the date hereof, they have no immediate plans to issue any new Share or to repurchase any existing Share.

An explanatory statement as required under the Listing Rules to provide the requisite information concerning the repurchase mandate is set out in the Appendix II to this circular.

4. SHARE PREMIUM REDUCTION AND CAPITAL REDEMPTION RESERVE REDUCTION

The Board proposes to put forward to the Shareholders for approval a proposal in relation to the Share Premium Reduction and Capital Redemption Reserve Reduction as set out below:

- (i) the entire amount of HK\$701,690,848.12 standing to the credit of the share premium account of the Company as at 31 December 2006 and the entire amount of HK\$6,170,600.00 standing to the credit of the capital redemption reserve account of the Company as at 31 December 2006 will be cancelled; and

LETTER FROM THE CHAIRMAN

- (ii) the credit arising from the cancellation of the share premium account and the capital redemption reserve account will be transferred to the contributed surplus account of the Company and such credit will be partially used to set off against the accumulated losses of the Company in a total amount of HK\$562,957,663.00 as at 31 December 2006.

The Board considers that the elimination of the accumulated losses of the Company in full will give the Company more flexibility to declare dividends to the Shareholders at the earliest opportunity as and when the Board considers appropriate. The Board believes that the Share Premium Reduction and the Capital Redemption Reserve Reduction are beneficial to the Company and its Shareholders as a whole.

The Board considers that the implementation of the Share Premium Reduction and the Capital Redemption Reserve Reduction will not, in itself, affect the underlying assets, business operations, management or financial position of the Company or the interests of the Shareholders as a whole.

The Share Premium Reduction and the Capital Redemption Reserve Reduction are conditional upon (i) the passing of a special resolution by the Shareholders to approve the Share Premium Reduction and the Capital Redemption Reserve Reduction at the AGM; and (ii) the due compliance by the Company with the requirements of section 46(2) of the Companies Act 1981 of Bermuda.

Assuming the above conditions are fulfilled, it is expected that the Share Premium Reduction and the Capital Redemption Reserve Reduction will become effective on the date of the AGM.

5. DISTRIBUTION OUT OF CONTRIBUTED SURPLUS ACCOUNT

The Board also proposes to recommend for the Shareholders' approval the payment of a final dividend of HK1 cent per share for the year ended 31 December 2006 by way of distribution out of the contributed surplus account, subject to the Share Premium Reduction and Capital Redemption Reserve Reduction becoming unconditional and compliance with section 54(1) of the Companies Act 1981 of Bermuda. The final dividend, if approved, will be paid on or before 6 July 2007 by allotment of new shares with a cash option to the Shareholders whose names appear on the Company's register of members on 29 May 2007.

Subject to the Listing Committee of the Stock Exchange granting listing of and permission to deal in the new shares to be issued pursuant to the scrip dividend scheme, new share entitlements will be calculated by reference to the average of the closing prices on the Stock Exchange of the shares of the Company for the five consecutive trading days up to and including 29 May 2007. A circular giving full details of the scrip dividend scheme and a form of election will be sent to the Shareholders as soon as practicable.

6. AGM

A notice convening the AGM to be held on Tuesday, 29 May 2007 at 11:00 a.m. at 31st Floor, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong is appended to this circular.

LETTER FROM THE CHAIRMAN

A form of proxy for use at the AGM is enclosed. The form of proxy, in order to be valid, must be deposited in accordance with the instructions printed thereon not less than 48 hours before the time for holding the AGM or adjournment thereof. Completion and delivery of the form of proxy will not prevent the Shareholders from attending and voting at the AGM if they wish.

7. RIGHT TO DEMAND POLL

Pursuant to bye-law 66 of the bye-laws of the Company, every resolution submitted to a general meeting shall be determined in the first instance by a show of hands of the Shareholders present in person or by proxy, but a poll may be demanded (before or on the declaration of the results of the show of hands or on the withdrawal of any other demand for a poll) by:

- (a) the chairman of the meeting; or
- (b) at least three Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) a Shareholder or Shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) a Shareholder or Shareholders present in person or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or
- (e) if required by the Listing Rules, any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing 5% or more of the total voting rights at the meeting.

8. RECOMMENDATION

The Directors consider that the re-election of Directors, the granting of general mandates to issue and repurchase Shares, the reduction of the share premium account and the capital redemption reserve account and the distribution out of the contributed surplus account are in the interests of the Company and the Shareholders as a whole, and accordingly recommend the Shareholders to vote in favour of each of the resolutions in respect of the above proposals on terms set out in the notice of the AGM.

Yours faithfully,
Lam Ting Ball, Paul
Chairman

Stated below are the details of the Directors proposed to be re-elected at the AGM.

1. Mr. Tsui Tsin Tong, aged 67, Honorary Chairman

Mr. Tsui joined the Group in September 1985. He has more than 36 years of experience in the investment and property fields and is a Standing Member of the National Committee of The Chinese People's Political Consultative Conference. Mr. Tsui is the father of Mr. Tsui Ho Chuen, Philip and the brother of Mr. Tsui Yam Tong, Terry. He is also the founder of a discretionary trust of which Rapid Growth Ltd., a substantial shareholder of the Company, is the trustee. Mr. Tsui has a service agreement (not having a fixed term of service) with the Company which entitles him to the payment of a monthly salary of HK\$580,000.00 and accommodation and other fringe benefits. For the year ended 31 December 2006, the total remuneration paid to Mr. Tsui, including the director's fee of HK\$1,050,000.00, was HK\$11,312,000.00.

2. Mr. Wong Chi Keung, Alvin, aged 44, Finance Director

Mr. Wong joined the Group in July 2004. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants and an associate member of The Chartered Institute of Management Accountants, and has over 19 years of experience in finance and accounting. He is an independent non-executive director of Macau Prime Properties Holdings Limited (a company listed on the Stock Exchange). Under the service agreement (not having a fixed term of service) with the Company, Mr. Wong is entitled to receive a monthly salary of HK\$62,000.00 (inclusive of a housing allowance) and other fringe benefits. For the period from 1 August 2006 (date of appointment as director) to 31 December 2006, the total remuneration paid to Mr. Wong, including the director's fee of HK\$150,000.00, was HK\$569,000.00.

3. Mr. Zhang Yulin, aged 43, Non-executive Director

Mr. Zhang was appointed a Non-executive Director in December 2006. He has over 10 years of experience in finance and management. He graduated from Nanjing University and is an economist in the PRC. Mr. Zhang is a deputy managing director of Broadsino Investment Company Limited which is interested in 6.36% of the issued share capital of the Company. There is no service agreement between Mr. Zhang and the Company and he is not appointed for a specific term but is subject to re-election once every three years pursuant to the Company's bye-laws.

4. Mr. Ko Sheung Chi, aged 50, Non-executive Director

Mr. Ko was appointed a Non-executive Director in February 2007. He has over 26 years of experience in general management. He has a bachelor degree in science and a master degree in business administration and is an associate member of the Hong Kong Institute of Certified Public Accountants. He is the managing director of Chuang's Consortium International Limited and the chairman of Chuang's China Investments Limited and was the chairman of Midas International Holdings Limited (the existing chairman of Midas International Holdings Limited, an associated company of Chuang's Consortium International Limited, is Mr. Hung Ting Ho,

Richard), all companies are listed on the Stock Exchange. A wholly-owned subsidiary of Chuang's China Investments Limited is a substantial shareholder of the Company. Mr. Ko has no service agreement with the Company and he is not appointed for a specific term but is subject to re-election once every three years pursuant to the Company's bye-laws.

5. Mr. Danny T Wong, aged 61, Independent Non-executive Director

Mr. Wong has been an Independent Non-executive Director since September 2004. He has a master degree in business administration and is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the Certified General Accountants Association of Canada. He has over 32 years of experience in finance, accounting and management. Mr. Wong has no service agreement with the Company and he is not appointed for a specific term but is subject to re-election once every three years pursuant to the Company's bye-laws. For the year ended 31 December 2006, the remuneration being the director's fee paid to Mr. Wong was HK\$200,000.00.

6. Mr. Chan Wa Shek, aged 76, Independent Non-executive Director

Mr. Chan was appointed an Independent Non-executive Director in February 2007. Mr. Chan is the former Commissioner of Correctional Services of Hong Kong. He holds a master degree in public service from the University of San Francisco and is a fellow member of the British Institute of Management. Mr. Chan has no service agreement with the Company and he is not appointed for a specific term but is subject to re-election once every three years pursuant to the Company's bye-laws.

7. Dr. Steven Chow, aged 62, Independent Non-executive Director

Dr. Chow was appointed an Independent Non-executive Director in February 2007. He has over 30 years of experience in finance and management. He holds a master degree in education from the Suffolk University and a master degree in business administration and a doctor of economics degree from the Boston University. He is a member of the investment committee of the University of Hong Kong. Dr. Chow has no service agreement with the Company and he is not appointed for a specific term but is subject to re-election once every three years pursuant to the Company's bye-laws.

The interests of the Directors in the Shares within the meaning of Part XV of the Securities and Futures Ordinance are set out in the "Report of the Directors" in the Company's 2006 annual report.

The remuneration of the executive Directors are determined by the remuneration committee and the remuneration of the non-executive Directors are determined by the Board on the recommendation of the remuneration committee, by reference to their duties and responsibilities, performance, experiences, time commitment and the market conditions.

Mr. Danny T Wong, as a guarantor of a limited company incorporated in Toronto, Ontario, Canada, had been adjudged bankrupt. Under the Bankruptcy Act of Ontario, Canada in the municipality of Metropolitan Toronto, the bankruptcy was fully and unconditionally discharged in 1996.

The following companies incorporated in Hong Kong, in which Mr. Tsui Tsin Tong is a director, have been put into creditors' voluntary liquidation or receiverships: The New China Hong Kong Advertising Limited (dormant, liquidation commenced on 11 July 2000), The New China Hong Kong Development Limited (investment holding, liquidation commenced on 25 January 1999), The New China Hong Kong Enterprises Limited (investment holding, liquidation commenced on 25 January 1999), The New China Hong Kong Estate Limited (investment holding, liquidation commenced on 25 January 1999), The New China Hong Kong Group Limited (investment holding, liquidation commenced on 1 March 1999), The New China Hong Kong Industrial Limited (investment holding, liquidation commenced on 25 January 1999), The New China Hong Kong Properties Limited (property investment, liquidation commenced on 26 August 1999), The New China Hong Kong Trading (Beijing) Limited (provision of agency services, liquidation commenced on 26 August 1999), The New China Hong Kong Trading Limited (trading of motor vehicles, liquidation commenced on 25 January 1999) and Champion Rich Investment Limited (property holding and investment, receivers appointed over charged properties for HK\$64,803,777.28 plus costs of interests on 25 May 1999 and settlement and cessation of receiverships on 29 December 1999). The liquidations of these companies are still in process.

Save as disclosed above, there is no other information required to be disclosed pursuant to any of the requirements of the Rule 13.51(2) of the Listing Rules and there is no other matter that needs to be brought to the attention of the Shareholders.

This Appendix serves as an explanatory statement required by the Listing Rules to provide the Shareholders with the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the repurchase mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,539,472,193 Shares.

Subject to the passing of the relevant resolution and on the basis that no further Share is issued or repurchased prior to the AGM, the Company would be allowed under the repurchase mandate to repurchase a maximum of 153,947,219 Shares representing 10% of the Shares in issue as at the date of the AGM. The Shares proposed to be repurchased by the Company must be fully-paid up.

The repurchase mandate may continue in force until the earliest of: (i) the conclusion of the next annual general meeting of the Company for the year of 2008; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and (iii) the revocation or variation of the repurchase mandate by ordinary resolution of the Shareholders in general meeting.

2. REASONS FOR REPURCHASES

The Directors believe that the repurchase mandate is in the interests of the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the memorandum of association and bye-laws of the Company and the laws of Bermuda. It is presently proposed that any repurchase under the repurchase mandate would be repurchased out of the capital paid up on the repurchased Shares, the profits of the Company which would otherwise be available for dividend, the Company's share premium account and/or contributed surplus account in each case to the extent as permitted by the laws of Bermuda.

There might be material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited consolidated accounts contained in the Company's most recently published annual report for the year ended 31 December 2006 in the event that the repurchase mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the repurchase mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months before the printing of this circular were as follows:

	Share price	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2006		
April	0.125	0.102
May	0.246	0.103
June	0.186	0.128
July	0.180	0.135
August	0.186	0.148
September	0.180	0.150
October	0.160	0.140
November	0.300	0.140
December	0.213	0.154
2007		
January	0.186	0.160
February	0.290	0.172
March	0.295	0.185
April (up to the Latest Practicable Date)	0.265	0.230

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that they will exercise the powers of the Company to make repurchases in accordance with the Listing Rules and the applicable laws of Bermuda so far as the same may be applicable and in accordance with the regulations set out in the memorandum of association and bye-laws of the Company.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates (as defined in the Listing Rules) have any present intention to sell Shares to the Company under the repurchase mandate if such is approved by the Shareholders.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he has a present intention to sell Shares to the Company, nor has undertaken not to do so, in the event that the repurchase mandate is approved by the Shareholders.

6. TAKEOVER CODE

If on exercise of the powers to repurchase Shares pursuant to the repurchase mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purpose of the Takeover Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeover Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with the Rule 26 of the Takeover Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, RGL is the single largest shareholder of the Company beneficially interested in 337,473,906 Shares, representing approximately 21.92% of the issued share capital of the Company. In the event that the repurchase mandate is exercised in full and no further share is issued during the proposed repurchase period, the beneficial interest of RGL in the issued share capital of the Company will increase to approximately 24.35%. Accordingly, the Directors are not aware of any consequences which would arise under the Takeover Code as a result of any repurchase of Shares pursuant to the repurchase mandate.

7. SHARE REPURCHASES MADE BY THE COMPANY

The Company has not repurchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months prior to the printing of this circular.



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(Stock Code: 701)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CNT Group Limited (the “Company”) will be held at 31st Floor, CNT Tower, 338 Hennessy Road, Wanchai, Hong Kong on Tuesday, 29 May 2007 at 11:00 a.m. for the following purposes:

Ordinary business

1. To receive and consider the audited financial statements and the report of the directors and the independent auditors’ report for the year ended 31 December 2006.
2. To approve the payment of a final dividend for the year ended 31 December 2006 by way of distribution out of the contributed surplus account, subject to the passing of special resolution 8 below.
3. To re-elect directors and to authorise the directors to fix the directors’ remuneration.
4. To re-appoint auditors and to authorise the directors to fix their remuneration.

Special business

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the board of directors of the Company (the “Board”) during the Relevant Period of all the powers of the Company to allot, issue and otherwise deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Board during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

NOTICE OF ANNUAL GENERAL MEETING

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Board pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of rights of subscription or conversion under the terms of any warrant or other securities issued by the Company carrying a right to subscribe for shares of the Company; or (iii) the exercise of subscription rights under any share option scheme of the Company; or (iv) an issue of shares as scrip dividends pursuant to the bye-laws of the Company from time to time, shall not exceed the aggregate of (i) 20% of the nominal amount of the share capital of the Company in issue as at the date of this resolution; and (ii) subject to the passing of resolution 7 below, all those number of shares which may from time to time be repurchased by the Company pursuant to the general mandate granted under resolution 6 below, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
- (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means the allotment, issue or grant of shares of the Company pursuant to an offer open for a period fixed by the Board to holders of shares or any class thereof on the register of members of the Company on a fixed record date pro rata to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements or having regard to any restriction or obligation under the laws of, or the requirements of any recognised regulatory body of any stock exchange in any territory outside Hong Kong).”

6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT:**

- (a) subject to paragraph (b) below, the exercise by the board of directors of the Company during the Relevant Period of all the powers of the Company to purchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange recognised for this purpose by the Securities and Futures Commission and the Stock Exchange, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the aggregate nominal amount of shares of the Company to be purchased by the Company pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the shares of the Company in issue at the date of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; and
 - (iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** the board of directors of the Company be and is hereby given a general mandate to add all those shares in the capital of the Company which may from time to time be repurchased by the Company pursuant to the approval granted under resolution 6 above to the general mandate granted under resolution 5 above.”

8. To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**THAT** with effect this resolution is passed as a special resolution of the Company and conditional upon the due compliance by the Company with the requirements of section 46(2) of the Companies Act 1981 of Bermuda:

- (a) the total amount of HK\$701,690,848.12 standing to the credit of the share premium account of the Company and the total amount of HK\$6,170,600.00 standing to the credit of the capital redemption reserve account of the Company be and are hereby cancelled and the directors of the Company be and are hereby authorised to transfer the credit arising therefrom to the contributed surplus account of the Company and apply an amount equal to approximately HK\$562,957,663.00 in such contributed surplus account to set off the accumulated losses of the Company in a total amount of HK\$562,957,663.00 as at 31 December 2006; and
- (b) the directors of the Company be and are hereby authorised to take any and all steps, and to do and/or procure to be done any and all such acts and things, and to approve, sign and execute any documents which in their opinion may be necessary, desirable or expedient, to implement and carry into effect this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

9. To transact any other business.

By order of the board
Ma Lai King
Company Secretary

Hong Kong, 30 April 2007

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power of attorney or authority shall be delivered to the Company's registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting at which the person named in the instrument proposes to vote or any adjournment thereof.
3. The register of members of the Company will be closed from Wednesday, 23 May 2007 to Tuesday, 29 May 2007, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant certificates must be lodged for registration with the Company's registrar in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Tuesday, 22 May 2007.
4. The translation into Chinese language of this notice is for reference only. In case of any inconsistency, the English version shall prevail.